

Understanding Your Annual Statement of Benefits Glossary

Term	Definition
Active Member	A WRS member who is currently employed by a Wisconsin participating public employer, including employees on a leave of absence.
Alternate Payee	The former spouse or domestic partner of a WRS member to whom the court has awarded a percentage of a member's WRS account or annuity through a Qualified Domestic Relations Order.
Beneficiary	A person, entity, trust or estate designated by a WRS member to receive a member's benefits upon the member's death.
Creditable Service	The years of service for which a WRS member has received credit under the WRS. This includes all service for which contributions have been made, purchased service and any retirement service credit granted by the employer prior to the date the employer joined the WRS. It is calculated by dividing your actual hours worked by 1320 for teachers, or 1904 for non-teachers.
Final Average Earnings (FAE)	The average monthly earnings component used in a formula retirement benefit calculation. The average is calculated by adding the highest earnings for three calendar years (fiscal years for teachers, judges and educational support personnel) and dividing this total by the creditable service earned during these years, then dividing by 12. The three years used are those in which reported earnings were the highest; they do not need to be consecutive, nor the last years reported.
Formula Benefit	One of the two methods for calculating WRS benefits. A formula benefit is calculated based on a member's final average earnings, years of service, a formula factor based on the member's employment category(ies), and any applicable age reduction factor for early retirement.
Inactive Member	A member who no longer works for a WRS employer but who has left contributions on deposit in the WRS to continue to earn investment earnings.
Minimum Retirement Age	The earliest age at which a member can begin receiving a retirement annuity, if the person also meets all other eligibility criteria to receive an annuity. The minimum retirement age is 55 for most WRS members, and age 50 for members with some creditable service in a protective occupation category (e.g. police and firefighters).
Money Purchase	One of the two methods for calculating WRS benefits. A money purchase benefit is calculated based only on the applicant's age when the benefit is paid and the amount of money in the account available to fund the benefit.
Member	A person who currently is making contributions to the WRS. Also referred to as "active."
	A person who no longer is working for a WRS employer but has left contributions in the WRS. Also referred to as "inactive."
	A member who currently is receiving a retirement benefit or disability benefit from the WRS. Also referred to as "annuitant."
Qualified Domestic Relation Order (QDRO)	A court order that awards a percentage up to 50% of a member's WRS account or annuity to a former spouse or registered domestic partner.
Vesting	The minimum number of years of covered WRS employment needed to qualify a member for a retirement benefit.